



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Purchase Material Handling Bucket Truck (\$197,645.83)

MEETING DATE: June 16, 1999

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: That the City Council adopt the attached resolution awarding the bid for the purchase of one Material Handling Bucket Truck to the low bidder, meeting the specifications, Altec Industries, Inc. Dixon, CA in the amount of \$197,645.83 and authorize the transfer of additional funds for this purchase.

BACKGROUND INFORMATION: On April 21, 1999, the City Council approved specifications and authorized advertisement for bids. The City Council also directed staff to solicit bids for a purchase and a lease for this equipment. Bids were received and opened on May 19, 1999. A summary of the bids is tabulated below:

Bidder	Price incl. Tax w/o optional tools	Price incl. Tax with optional tools	Comments
Altec Industries, Inc. Dixon, CA	\$192,590.20	\$197,645.83	
Pacific Utility Equipment Co. Sacramento, CA	\$208,832.43	N/A	
MTI Insulated Products, Inc. Fort Wayne, IN	\$184,115.66	\$189,277.96	Does not meet specifications
Utility Equipment Leasing Corp. Waukesha, WI	Offering lease only		

The apparent low bidder does not meet specifications for the lifting capacity on the aerial bucket, a very critical requirement. The specifications require 800 lbs. lifting capacity, the bid shows 500 lbs. This truck must be able to handle two workers in addition to tools and equipment.

The bidders were requested to submit bids on three different methods by which the City could acquire this equipment, namely: purchase; a lease-purchase indicating semi-annual or annual payments based on either a 5, 7 or 10 year lease-purchase all having a 1 dollar buy out at the end of the lease and finally a lease (only) with semi-annual or annual payments on a 10 year lease. The various bids received have been tabulated and are shown as Exhibit A. For each bidder three rows are shown indicating the actual payment and the Present Value of the payments for the various lease terms at two different interest rates. The interest rates are representative of the City's cost of money. Based on the Present Value analysis of the bid data it is recommended to purchase the vehicle. All of the lease options, on bids meeting the specifications, have a greater Present Value than the purchase option.

The City Council's authorization to advertise for bids was based on an estimated purchase price of \$179,000.00

APPROVED: _____

H. Dixon Flynn
H. Dixon Flynn -- City Manager



CITY OF LODI

COUNCIL COMMUNICATION

Purchase Material Handling Bucket Truck (continued)

In order to fund the above recommendation i.e. purchase the truck at a cost of \$197,645.83, it is requested that the City Council authorize the transfer of \$18,645.83 from the excess funding for a Bucket Truck presently being purchased. Funding for this Bucket Truck with the truck equipped for service was appropriated at \$120,400.00. However, based on bids received the actual in service price will be \$87,033.80 leaving an excess of \$33,366.20.

The apparent low bidder has been informed of the above recommended action and that he/she will be given the opportunity to address the City Council at the meeting should they wish to do so.

FUNDING: Electric Utility Capital Budget
(See Page E-8 and E-44 of the 1997-99 Financial Plan and Budget)

Account Number: 1611201.7851 232 E

Funding Approval:

Vicky McAthie
Vicky McAthie, Finance Director

Alan N. Vallow
Alan N. Vallow
Electric Utility Director

PREPARED BY: Hans Hansen, Manager, Engineering and Operations

ANV/HH/hh

Attachment (1)

c: City Attorney
Purchasing Officer

APPROVED: _____

6-16-99 HH MAT HDL TRK

H. Dixon Flynn -- City Manager

Exhibit A

Material Handling Bucket Truck

Acquisition Evaluations

Bidder		Option #1 Purchase w/o Optional Tools	Option #2 Lease-Purchase						Option #3 Lease		
			5 Years		7 Years		10 Years		Semi-Ann.	Annual	Monthly
			Semi-Ann.	Annual	Semi-Ann.	Annual	Semi-Ann.	Annual			
Altec Industries, Inc.	Payments	192,590.20	25,035.76	47,730.63	19,851.16	37,168.14	16,023.34	29,365.51			2,177.35
	Present Value (5%)		219,114.47	206,648.81	232,078.12	215,068.61	249,790.41	226,752.54			205,283.50
	Present Value (6%)		213,560.04	201,058.60	224,240.09	207,486.68	238,386.76	216,132.80			196,121.43
Pacific Utility Equipment Co.	Payments	208,832.43	23,549.34	46,462.50	17,878.17	35,246.95	N/A	N/A	N/A	N/A	
	Present Value (5%)		206,105.24	201,158.46	209,012.08	203,951.89					
	Present Value (6%)		200,880.58	195,716.78	201,953.06	196,761.87					
MTI Insulated Products, Inc.	Payments		19,875.28	39,166.60	14,942.90	29,428.00	11,275.03	22,184.46	N/A	N/A	
	Present Value (5%)	184,115.66	173,949.64	169,571.01	174,696.10	170,281.30	175,768.25	171,302.41			
	Present Value (6%)		169,540.11	164,983.82	168,796.04	164,278.28	167,743.92	163,279.62			
Utility Equipment Leasing Corp.	Payments		23,365.09	47,204.21	17,598.94	35,553.26	13,299.01	26,852.84	13,593.02	26,421.61	
	Present Value (5%)	No Bid	204,492.67	204,369.68	205,747.62	205,724.32	207,320.39	207,350.38	211,903.76	204,020.54	
	Present Value (6%)		199,308.89	198,841.13	198,798.86	198,471.81	197,855.62	197,639.32	202,229.75	194,465.43	
	Interest Rate										
Present Value Factors	5%		8.75206	4.32948	11.69091	5.78637	15.58916	7.72173			94.28135
	6%		8.5302	4.21236	11.29607	5.58238	14.87747	7.36009			90.07345

RESOLUTION NO. 99-82

A RESOLUTION OF THE LODI CITY COUNCIL AWARDING THE
BID FOR THE PURCHASE OF ONE MATERIAL HANDLING
BUCKET TRUCK, AND FURTHER APPROVING THE TRANSFER
OF ADDITIONAL FUNDS TO COVER THIS PURCHASE

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WHEREAS, in answer to notice duly published in accordance with law and the order of this City Council, sealed bids were received and publicly opened on June 16, 1999 at 11:00 a.m. for the purchase of one Material Handling Bucket Truck, described in the specifications therefore approved by the City Council on April 21, 1999; and

WHEREAS, said bids have been compared, checked, and tabulated and a report thereof filed with the City Manager as shown below:

Bidder	Price incl. Tax w/o optional tools	Price incl. Tax with optional tools	Comments
Altec Industries, Inc. Dixon, CA	\$192,590.20	\$197,645.83	
Pacific Utility Equipment Co. Sacramento, CA	\$208,832.43	N/A	
MTI Insulated Products, Inc. Fort Wayne, IN	\$184,115.66	\$189,277.96	Does not meet specifications
Utility Equipment Leasing Corp. Waukesha, WI	Offering lease only		

WHEREAS, the City Manager recommends that award of the bid for the purchase of one Material Handling Bucket Truck, be made to the low bidder whose equipment meets the City of Lodi specifications, Altec Industries, Inc., of Dixon, California.

NOW, THEREFORE, BE IT RESOLVED by the Lodi City Council that the award of bid for the purchase of one Material Handling Bucket Truck, be and the same is hereby awarded to Altec Industries, Inc., of Dixon, California, in the total amount of \$197,645.83; and

BE IT FURTHER RESOLVED, that additional funds in the amount of \$18,645.83 be transferred from excess funding to cover this purchase.

Dated: June 16, 1999

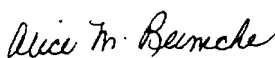
I hereby certify that Resolution No. 99-82 was passed and adopted by the City Council of the City of Lodi in a regular meeting held June 16, 1999, by the following vote:

AYES: COUNCIL MEMBERS – Hitchcock, Mann, Nakanishi, Pennino and Land
(Mayor)

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None


ALICE M. REIMCHE
City Clerk